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Grain and Feed

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Report Highlights:

Canadian grain production in 2003 is recovering from last year's poor showing, according to the latest Statistics Canada pre-harvest survey of Canadian farmers. In spite of insect damage and hot, dry weather experienced in the west, crop production will easily surpass the drought year of 2002. Production of most crops should be greatly improved, except in Manitoba, where crops could show a slight decline, as farmers there were generally hit less by the drought of 2002. In eastern Canada, good planting and growing conditions will combine to produce some new records and strong production values for crops.

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GRAIN AND FEED OUTLOOK FOR 2003/04

Production of most field crops in 2003 is on the rebound from last year's poor showing, according to results from the July 31 pre-harvest survey of Canadian farmers, reports Statistics Canada in its August 22 release of *Estimates of Production of Principal Field Crops, As of July 31, 2003*.

In spite of insect damage and hot, dry weather experienced in the west, crop production will easily surpass the drought year of 2002.

Production of most crops should be greatly improved, except in Manitoba, where crops could show a slight decline, as farmers there were generally hit less by the drought of 2002. Hay production across western Canada was improved, as early rains provided favorable conditions this spring.

In eastern Canada, good planting and growing conditions will combine to produce some new records and strong production values for crops.

ALL WHEAT

Total wheat production is expected to reach 21.0 million tonnes, up 34% or 5.3 million metric tonnes (MMT) from the 2002 level. The recent five-year average production is 22.8 MMT. Reported average yield was 29.8 bushels per acre, up from 27.1 last year.

In Ontario, winter wheat production is anticipated to soar to a record 2.0 MMT, easily passing the record 1.4 MMT set four years ago. Favorable growing conditions and a large increase in harvested area combined to produce the increase.

In the west, spring wheat production should rise a sharp 42% to 14.2 MMT, the result of increases in yield and harvested area. This good news should be tempered by the fact that the 10-year average for spring wheat in the west is 18.3 MMT, with a maximum of 26.5 MMT reported in 1991. Alberta growers anticipate an 83% increase, and Saskatchewan farmers, a 54% increase. In Manitoba, farmers expect an 11% decline.

Non-Durum Wheat

According to Agriculture and Agri-Food Canada, for 2003/04, production is estimated to increase by 44% from 2002/03, to 17.2 MMT, but remain well below the 10-year average of 19.9 MMT. The increase in production will be partly offset by lower carry-in stocks, and total supplies are expected to increase by 24% from 2002/03 to 21.2 MMT. Exports are forecast to increase to 10.4 MMT, from only 5.9 MMT in 2002/03, but remain well below the 10-year average of 13.5 MMT. Feed use is expected to decline from 2002/03, to 3.1 MMT, due to better quality, smaller livestock numbers and increased barley supplies. Carry-out stocks are forecast to be unchanged at 4.0 MMT versus the 10-year average of 5.9 MMT.

Table 1: All Wheat PS&D

PSD Table**Country
Commodity****Canada
Wheat**

					(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]
Market Year Begin		08/2001		08/2002		08/2003
Area Harvested	10585	10585	8613	8613	10400	10450
Beginning Stocks	9658	9658	6532	6549	5772	6014
Production	20568	20568	15690	15690	22000	21000
TOTAL Mkt. Yr. Imports	341	97	350	195	250	30
Jul-Jun Imports	311	99	350	179	250	30
Jul-Jun Import U.S.	111	26	0	21	0	20
TOTAL SUPPLY	30567	30323	22572	22434	28022	27044
TOTAL Mkt. Yr. Exports	16272	15942	9000	8720	14500	13800
Jul-Jun Exports	16758	16405	9200	9010	14500	13800
Feed Dom. Consumption	3693	3506	3700	3300	3800	3400
TOTAL Dom. Consumption	7763	7832	7800	7700	8000	7600
Ending Stocks	6532	6549	5772	6014	5522	5644
TOTAL DISTRIBUTION	30567	30323	22572	22434	28022	27044

Durum Wheat

Durum production in the west is expected to be little changed this year at 3.8 MMT, up just 2% from last year. While harvested acreage rose, yield is off an estimated nine percent to an average 23.1 bushels per acre. Durum is grown mainly in the southern part of the Prairies, an area that was generally hit less by last year's drought. In spite of the increase, production is still well below the 10-year average of 4.4 MMT and the record of 6.0 MMT. Exports are forecast to increase by 15%, to 3.4 MMT, due to increased supplies of Nos. 1 and 2 CWAD durum. This remains below the 10-year average of 3.6 MMT.

Table 2: Durum Wheat PS&D

PSD Table

Country Commodity	Canada Wheat, Durum					
	(1000 HA)		(1000 MT)			
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin		01/2001		01/2002		01/2003
Area Harvested	0	2036	0	2185	0	2400
Beginning Stocks	0	2873	0	1545	0	1600
Production	0	2987	0	3710	0	3800
TOTAL Mkt. Yr. Imports	0	12	0	6	0	5
Jul-Jun Imports	0	12	0	6	0	5
Jul-Jun Import U.S.	0	12	0	6	0	5
TOTAL SUPPLY	0	5872	0	5261	0	5405
TOTAL Mkt. Yr. Exports	0	3618	0	2900	0	3400
Jul-Jun Exports	0	3623	0	2939	0	3400
Feed Dom. Consumption	0	213	0	250	0	250
TOTAL Dom. Consumption	0	709	0	761	0	800
Ending Stocks	0	1545	0	1600	0	1205
TOTAL DISTRIBUTION	0	5872	0	5261	0	5405

Barley

Canadian barley production should rise almost 65% to near average levels this year, the result of improved yields and an average cut for silage. Production is estimated at 12.0 MMT, up 4.7 MMT from 2002 and in line with the 10-year average of 11.4 MMT. Yields will continue below average at 47.4 bushels per acre, lagging considerably behind the 10-year average of 53.6 bushels per acre. Barley supplies are expected to rise by 41% due to sharply lower carry-in stocks.

Exports of malting barley are expected to increase significantly while feed barley exports remain historically low, although higher than in 2002/03. Lower cattle inventories are expected to reduce 2003/04 feed use. However, feed use of barley is expected to rise significantly from 2002/03 as barley displaces imports of U.S. corn in western Canada. Carry-out stocks are forecast to increase slightly.

Table 3: Barley PS&D

PSD Table

Country Commodity	Canada				(1000 HA)(1000 MT)	
	2001 USDA Official [Old]	Revised Post Estimate [New] 08/2001	2002 USDA Official [Old]	Estimate Post Estimate [New] 08/2002	2003 USDA Official [Old]	Forecast Post Estimate [New] 08/2003
Market Year Begin						
Area Harvested	4150	4150	3267	3267	4650	4600
Beginning Stocks	2516	2516	1898	1898	1256	1250
Production	10846	10846	7283	7283	13000	12000
TOTAL Mkt. Yr. Imports	102	112	250	255	50	50
Oct-Sep Imports	119	133	200	230	50	50
Oct-Sep Import U.S.	119	129	0	210	0	30
TOTAL SUPPLY	13464	13474	9431	9436	14306	13300
TOTAL Mkt. Yr. Exports	1149	1153	400	430	2000	2500
Oct-Sep Exports	1126	1134	350	330	2000	2300
Feed Dom. Consumption	9064	9048	6375	6590	9200	8500
TOTAL Dom. Consumption	10417	10423	7775	7756	10600	9500
Ending Stocks	1898	1898	1256	1250	1706	1300
TOTAL DISTRIBUTION	13464	13474	9431	9436	14306	13300

Corn

Corn production should increase in Ontario and Quebec, brought on by a two percent improvement in yield. Quebec farmers reported that production could reach record territory at 3.2 MMT, up 1% over the record set just last year. In Ontario, production is set to rise 2% to 5.6 MMT, which would be well above the 10-year average of 5.2 MMT.

Imports are expected to decrease significantly to 1.5 MMT, mainly due to higher barley production in western Canada, increased production in eastern Canada and lower feed use. Carry-out stocks are forecast to increase.

Table 4: Corn PS&D

PSD Table

Country
Commodity

Canada
Corn

(1000 HA)(1000 MT)

Market Year Begin	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
		09/2001		09/2002		09/2003
Area Harvested	1267	1267	1288	1250	1240	1200
Beginning Stocks	880	880	1056	1056	1200	716
Production	8389	8389	9065	8700	9200	8900
TOTAL Mkt. Yr. Imports	3951	3843	3700	3900	2000	1800
Oct-Sep Imports	4022	3910	3700	3900	2000	1800
Oct-Sep Import U.S.	4011	3900	0	3900	0	1800
TOTAL SUPPLY	13220	13112	13821	13656	12400	11416
TOTAL Mkt. Yr. Exports	199	199	400	340	300	300
Oct-Sep Exports	211	210	400	330	300	300
Feed Dom. Consumption	9665	9544	9921	10400	8600	7700
TOTAL Dom. Consumption	11965	11857	12221	12600	11100	10200
Ending Stocks	1056	1056	1200	716	1000	916
TOTAL DISTRIBUTION	13220	13112	13821	13656	12400	11416

Oats

Oat production is estimated to increase by 47% over the last crop year due to increases in expected harvested acreage of nearly 41% combined with increases in expected yields of more than four percent. Exports, mainly to the U.S., are expected to rise significantly due to larger supplies and reduced international competition. Carry-out stocks are expected to rise significantly.

Table 5: Oat PS&D

PSD Table

Country
Commodity

Canada
Oats

(1000 HA)(1000 MT)

Market Year Begin	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
		08/2001		08/2002		08/2003
Area Harvested	1238	1238	1298	1298	1700	1830
Beginning Stocks	854	854	363	363	362	512
Production	2691	2691	2749	2749	4000	4050
TOTAL Mkt. Yr. Imports	53	53	25	20	0	5
Oct-Sep Imports	35	35	25	15	0	5
Oct-Sep Import U.S.	15	18	0	10	0	5
TOTAL SUPPLY	3598	3598	3137	3132	4362	4567
TOTAL Mkt. Yr. Exports	1102	1102	800	920	1300	1500
Oct-Sep Exports	1034	1036	800	775	1300	1500
Feed Dom. Consumption	1531	1479	1325	1200	1700	1500
TOTAL Dom. Consumption	2133	2133	1975	1700	2400	2200
Ending Stocks	363	363	362	512	662	867
TOTAL DISTRIBUTION	3598	3598	3137	3132	4362	4567

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CA3039	Ban on Canadian Beef Exports Increases Short-Term Demand for Feed Grains	7/08/2003
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